



July 16, 2010
22M:377:kfw:1091



Arnold Schwarzenegger
Governor

Mr. Fred Slone, Manager
Workforce Investment Board of the County of San Mateo
400 Harbor Boulevard, Bldg. B
Belmont, CA 94002

Dear Mr. Slone:

AMERICAN RECOVERY AND REINVESTMENT ACT
PROGRAM REVIEW
FINAL MONITORING REPORT
PROGRAM YEAR 2009-10

This is to inform you of the results of our review for Program Year (PY) 2009-10 of the County of San Mateo Workforce Investment Board's (CSMWIB) American Recovery and Reinvestment Act of 2009 (ARRA). We focused this review on the following areas: program administration, local level monitoring, management information system/reporting, incident reporting, nondiscrimination and equal opportunity, grievance and complaint system, and program operations including ARRA activities and participant eligibility.

This review was conducted by Ms. Karen Fuller-Ware from December 14, 2009 through December 17, 2009.

Our review was conducted under the authority of Sections 667.400 (a) and (c) and 667.410 of Title 20 of the Code of Federal Regulations (20 CFR). The purpose of this review was to determine the level of compliance by CSMWIB with applicable federal and state laws, regulations, policies, and directives related to the ARRA grant.

We collected the information for this report through interviews with CSMWIB representatives, and service provider staff. In addition, this report includes the results of our review of selected case files, CSMWIB's response to Section I and II of the Program On-Site Monitoring Guide, and a review of applicable policies and procedures for PY 2009-10.

We received your response to our draft report on April 21, 2010 and reviewed your comments and documentation before finalizing this report. Because your response adequately addressed finding 1 cited in the draft report, no further action is required at this time. However, this issue will remain open until we verify your implementation of your stated corrective action plan during a future on-site review. Until then, this finding is assigned Corrective Action Tracking System (CATS) number 10070.

BACKGROUND

The CSMWIB was awarded ARRA funds to administer a comprehensive workforce investment system by way of streamlining services through the One-Stop delivery system. For PY 2009-10, CSMWIB was allocated: \$1,060,967 to serve 142 adult participants; \$4,440,452 to serve 318 youth participants; and \$2,430,073 to serve 241 dislocated worker participants.

For the quarter ending September 2009, CSMWIB reported the following expenditures for its ARRA funded activities: \$314,517 for adult participants; \$427,332 for youth participants; and \$687,640 for dislocated worker participants. In addition, CSMWIB reported the following enrollments: 116 adult participants; 2 youth participants; and 156 dislocated worker participants. We reviewed case files for 30 of the 1,299 participants enrolled in ARRA funded activities as of December 14, 2009.

PROGRAM REVIEW RESULTS

While we concluded that, overall, CSMWIB is meeting applicable ARRA requirements concerning grant program administration, we noted an instance of noncompliance in the area of eligibility. The finding that we identified in this area, our recommendation, and CSMWIB proposed resolution of the finding is specified below.

FINDING 1

Requirement:

WIA Section 188(a)(5) states, in part, that participation in programs and activities under this title shall be available to citizens and other immigrants authorized to work in the United States.

The Form I-9 (Employment Eligibility Verification) lists the acceptable documents that may be used to verify an individual's right-to-work. An individual's identity and employment eligibility must be verified. Among these documents that can be used for employment eligibility is the Social Security Card.

WIAD04-18 states, in part, that Local Workforce Investment Areas are responsible for ensuring that adequate documentation is contained in participant case files to minimize the risk of disallowed costs.

According to the WIA Eligibility Technical Assistance Guide (TAG), a social security card is invalid if not signed by the number holder unless health or age prevent signature.

Observation: We reviewed 30 case files and of the case files reviewed, we observed that 2 case files contained a copy of the participant's social security card which was not signed.

Recommendation: We recommended that CSMWIB provide the Compliance Review Office with a corrective action plan to ensure that, in the future, complete and accurate eligibility documentation is received and maintained in the participant's case file.

CSMWIB Response: The CSMWIB stated that they will research the two case files in question and will provide the State with an update on or before May 28, 2010. Also that they will add this as a focus area in their own PY 2010-11 monitoring and send a notice to all providers to make them aware of the requirement.

State Conclusion: The CSMWIB's stated corrective action should be sufficient to resolve this issue. However, we have not received the back-up documentation for the issue mentioned above. Therefore, we cannot close this issue until we verify, during a future on-site visit, CSMWIB's successful implementation of its stated corrective action. Until then, this issue remains open and has been assigned CATS number 10070.

We provide you up to 20 working days after receipt of this report to submit to the Compliance Review Office your response to this report. Because we faxed a copy of this report to your office on the date indicated above, we request your response no later than August 13, 2010. Please submit your response to the following address:

Compliance Monitoring Section
Compliance Review Office
722 Capitol Mall, MIC 22M
P.O. Box 826880
Sacramento, CA 94280-0001

Mr. Fred Slone

-4-

July 16, 2010

In addition to mailing your response, you may also FAX it to the Compliance Monitoring Section at (916) 654-6096.

Because the methodology for our monitoring review included sample testing, this report is not a comprehensive assessment of all of the areas included in our review. It is CSMWIB's responsibility to ensure that its systems, programs, and related activities comply with the WIA grant program, Federal and State regulations, and applicable State directives. Therefore, any deficiencies identified in subsequent reviews, such as an audit, would remain CSMWIB's responsibility.

Please extend our appreciation to your staff for their cooperation and assistance during our review. If you have any questions regarding this report or the review that was conducted, please contact Ms. Jennifer Shane at (916) 654-1292.

Sincerely,

A handwritten signature in cursive script, appearing to read "Jessie Mar".

JESSIE MAR, Chief
Compliance Monitoring Section
Compliance Review Office

cc: Jose Luis Marquez, MIC 50
Dathan O. Moore, MIC 50
Doug Orlando, MIC 50
Daniel Patterson, MIC 45